

PART 216—SECURITY PROCEDURES (REGULATION P)

Sec.

- 216.1 Authority, purpose, and scope.
- 216.2 Designation of security officer.
- 216.3 Security program.
- 216.4 Report.
- 216.5 Federal Reserve Banks.

AUTHORITY: 12 U.S.C. 1881-1884.

SOURCE: Reg. P, 56 FR 13071, Mar. 29, 1991, unless otherwise noted.

§216.1 Authority, purpose, and scope.

(a) This regulation is issued by the Board of Governors of the Federal Reserve System (the "Board") pursuant to section 3 of the Bank Protection Act of 1968 (12 U.S.C. 1882). It applies to Federal Reserve Banks and state banks that are members of the Federal Reserve System. It requires each bank to adopt appropriate security procedures to discourage robberies, burglaries, and larcenies, and to assist in the identification and prosecution of persons who commit such acts.

(b) It is the responsibility of the member bank's board of directors to comply with this regulation and ensure that a written security program for the bank's main office and branches is developed and implemented.

§216.2 Designation of security officer.

Upon becoming a member of the Federal Reserve System, a state bank's board of directors shall designate a security officer who shall have the authority, subject to the approval of the board of directors to develop, within a reasonable time, but no later than 180 days, and to administer a written security program for each banking office.

§216.3 Security program.

(a) *Contents of security program.* The security program shall:

- (1) Establish procedures for opening and closing for business and for the safekeeping of all currency, negotiable securities, and similar valuables at all times;
- (2) Establish procedures that will assist in identifying persons committing crimes against the institution and that will preserve evidence that may aid in their identification and prosecution.

Such procedures may include, but are not limited to:

- (i) Maintaining a camera that records activity in the banking office;
- (ii) Using identification devices, such as prerecorded serial-numbered bills, or chemical and electronic devices; and
- (iii) Retaining a record of any robbery, burglary, or larceny committed against the bank;

(3) Provide for initial and periodic training of officers and employees in their responsibilities under the security program and in proper employee conduct during and after a burglary, robbery, or larceny; and

(4) Provide for selecting, testing, operating, and maintaining appropriate security devices, as specified in paragraph (b) of this section.

(b) *Security devices.* Each member bank shall have, at a minimum, the following security devices:

(1) A means of protecting cash and other liquid assets, such as a vault, safe, or other secure space;

(2) A lighting system for illuminating, during the hours of darkness, the area around the vault, if the vault is visible from outside the banking office;

(3) Tamper-resistant locks on exterior doors and exterior windows that may be opened;

(4) An alarm system or other appropriate device for promptly notifying the nearest responsible law enforcement officers of an attempted or perpetrated robbery or burglary; and

(5) Such other devices as the security officer determines to be appropriate, taking into consideration:

(i) The incidence of crimes against financial institutions in the area;

(ii) The amount of currency and other valuables exposed to robbery, burglary, or larceny;

(iii) The distance of the banking office from the nearest responsible law enforcement officers;'

(iv) The cost of the security devices;

(v) Other security measures in effect at the banking office; and

(vi) The physical characteristics of the structure of the banking office and its surroundings.

§216.4 Report.

The security officer for each member bank shall report at least annually to

the bank's board of directors on the implementation, administration, and effectiveness of the security program.

§ 216.5 Federal Reserve Banks.

Each Reserve Bank shall develop and maintain a written security program for its main office and branches subject to review and approval of the Board.

PART 217—PROHIBITION AGAINST THE PAYMENT OF INTEREST ON DEMAND DEPOSITS (REGULATION Q)

REGULATIONS

Sec.

217.1 Authority, purpose, and scope.

217.2 Definitions.

217.3 Interest on demand deposits.

INTERPRETATIONS

217.101 Premiums on deposits.

AUTHORITY: 12 U.S.C. 248, 371a, 461, 505, 1818, and 3105.

REGULATIONS

SOURCE: Sections 217.1 through 217.6 appear at Reg. Q, 51 FR 9637, Mar. 20, 1986, unless otherwise noted.

§ 217.1 Authority, purpose, and scope.

(a) *Authority.* This part is issued under the authority of section 19 of the Federal Reserve Act (12 U.S.C. 371a, 461, 505), section 7 of the International Banking Act of 1978 (12 U.S.C. 3105), section 11 of the Federal Reserve Act (12 U.S.C. 248), and section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), unless otherwise noted.

(b) *Purpose.* This part prohibits the payment of interest on demand deposits by member banks and other depository institutions within the scope of this part.

(c) *Scope.* (1) This regulation applies to state chartered banks that are members of the Federal Reserve under section 9 of the Federal Reserve Act (12 U.S.C. 321, *et seq.*) and to all national banks. The regulation also applies to any Federal branch or agency of a foreign bank and to a State uninsured branch or agency of a foreign bank in the same manner and to the same extent as if the branch or agency were a

member bank, except as may be otherwise provided by the Board, if:

(i) Its parent foreign bank has total worldwide consolidated bank assets in excess of \$1 billion;

(ii) Its parent foreign bank is controlled by a foreign company which owns or controls foreign banks that in the aggregate have total worldwide consolidated bank assets in excess of \$1 billion; or

(iii) Its parent foreign bank is controlled by a group of foreign companies that own or control foreign banks that in the aggregate have total worldwide consolidated bank assets in excess of \$1 billion.

(2) For deposits held by a member bank or a foreign bank, this regulation does not apply to "any deposit that is payable only at an office located outside of the United States" (*i.e.*, the States of the United States and the District of Columbia) as defined in § 204.2(t) of the Board's Regulation D—Reserve Requirements of Depository Institutions (12 CFR 20.4).

[Reg. Q, 51 FR 9637, Mar. 20, 1986, as amended at 57 FR 43336, Sept. 21, 1992]

§ 217.2 Definitions.

For purposes of this part, the following definitions apply unless otherwise specified:

(a) *Demand deposit* means any deposit that is considered to be a *demand deposit* under § 204.2(b) of the Board's Regulation D—Reserve Requirements of Depository Institutions (12 CFR part 204).

(b) *Deposit* means any liability of a member bank that is considered to be a *deposit* under § 204.2(a) of the Board's Regulation D—Reserve Requirements of Depository Institutions (12 CFR part 204).

(c) *Foreign bank* means any bank that is considered to be a *foreign bank* under § 204.2(o) of the Board's Regulation D—Reserve Requirements of Depository Institutions (12 CFR part 204).

(d) *Interest* means any payment to or for the account of any depositor as compensation for the use of funds constituting a deposit. A member bank's absorption of expenses incident to providing a normal banking function or its